



DISPARITY STUDY FOR TRAVIS COUNTY HUB PROGRAM

-STUDY UPDATE-

Voting Session: March 24, 2015

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OVERVIEW



- Brief Review of County's HUB Program
- Recap Study Timeline of Events
- Definition of Study
- NERA's Contract
- Study Does Not Include
- Disparity Study Pros/Cons
- Q&A

COUNTY HUB PROGRAM

HISTORY



- May 1994 Adopted HUB policy/30% goal
- 2000 and 2005 Hired Two HUB Specialists
- 2003 Adopted City's M/WBE goals/replaced 30% goal
- 2003 and 2006 Chicago based attorney Colette Holt reviewed HUB program (*Specializes in public affirmative action programs*)
- May 2004 celebrated 10-year anniversary
- 2006 Purchased web based Vendor Tracking System (VTS) to track subcontractor payments
- January 2014 court approved contract for Disparity Study
- May 2014 celebrated 20-year anniversary

RECAP TIMELINE OF EVENTS

2012	2013 & 2014
<u>March</u> - City of Austin invited County to participate (Cap. Metro, AISD invited)	<u>April 11th</u> - Work Session staff presented the first draft of the scope
<u>November 15th</u> - Work Session (COA, Bexar Co.)	<u>April 23rd</u> - Voting Session Court approved draft scope and gave permission to begin negotiations with consultant
<u>December 4th</u> - Voting Session Court directed staff to begin developing County's scope	<u>June 20th</u> - City of Austin approved contract with NERA
	<u>August 28th & October 23rd</u> – Purchasing staff met with NERA
	<u>September 20th</u> – NERA provided cost estimate
	<u>November 19th</u> – Voting session Court approved cost estimate
	<u>Jan. 14, 2014</u> = Voting Session study contract approved

DEFINITION OF STUDY

- **Disparity Study**: An independent, objective, comprehensive assessment conducted in accordance with accepted practices in social science research...assisting government entities to survive constitutional challenges to their M/WBE, DBE or HUB Programs. *The principal goals of a legally defensible disparity study are to ensure compliance with constitutional mandates and equality of opportunity in the award and implementation of public contracts and purchase orders.* (Some elements of a study include case law, assessing geographic market, prime/subcontracting data earned by M/WBE/DBE/HUBs, public sector availability/utilization comparison, anecdotal evidence, qualitative/quantitative race-neutral measures, etc.)

Source: NCHRP Report 644

RECAP OF NERA'S CONTRACT

- Cost not to exceed \$339,552 for 5 years of contract data
- Scope of work includes 21 work tasks
- The most critical data is prime contracts and purchase orders; more time recommended to collect subcontracting payment data
- Study would take up to 18-24 months to be completed in 2016.

STUDY DOES NOT INCLUDE

- Staffing Analysis
- Costs to implement recommendations
- Costs to conduct new study in 5-7 years
- Costs to defend study if challenged

DISPARITY STUDY PROS/CONS

PROS

- Establish County's program constitutionality
- Show if County has past history of discrimination
- Identify specific HUB program related issues/narrowly tailored recommendations
- Assist in establishing realistic or contract specific goals
- Establish a basis for reanalyzing the program in the future
- Cost reduction partnering with the City of Austin

CONS

- Ongoing incurred costs for reanalyzing study (Every 5-7 yrs.)
- Enforcement/achievement of goals can still be an issue
- Other incurred costs for additional staff, budget, etc.
- Dissatisfaction from HUB community that enforceable goals are still not being met
- Dissatisfaction from non-HUB community on compliance of achieving goals
- Studies can take a year or more



**THANK YOU FOR YOUR TIME
AND CONTINUED SUPPORT.**

QUESTIONS